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ST. MARY PARISH HOUSING PROGRAM
STATE OF LOUISIANA

Annual Financial Statements
with Independent Auditors' Report

and

Reports on Internal Control Over Financial Reporting
and Compliance and Other Matters and Federal Awards

For the Year Ended September 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

4/7/10

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FINANCIAL INFORMATION SECTION



Independent Auditors' Report

Mr. Jim Firmin, Administrator
St. Mary Parish Housing Program
Morgan City, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the respective budgetary comparison, of St. Mary Parish Housing Program, of the St. Mary Parish Council, as of September 30, 2009, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of St. Mary Parish Housing Program's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

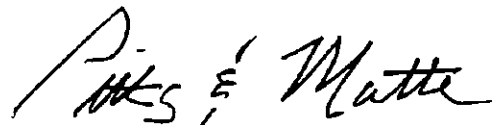
As discussed in Note 1, the financial statements of St. Mary Parish Housing Program of the St. Mary Parish Council, are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities, and the major fund, of the Council that is attributable to the transactions of the Program. They do not purport to, and do not, present fairly the financial position of the St. Mary Parish Council, as of September 30, 2009, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of St. Mary Parish Housing Program as of September 30, 2009, and the respective changes in financial position, thereof and the respective budgetary comparison for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Program has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated March 30, 2010 on our consideration of St. Mary Parish Housing Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide our opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the St. Mary Parish Housing Program of the St. Mary Parish Council's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the Financial Data Schedule are presented for the purposes of additional analysis and are not a required part of the financial statements of the St. Mary Parish Housing Program. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "P. S. & M. Matte". The signature is fluid and cursive, with the initials "P. S." followed by an ampersand and the name "Matte".

CERTIFIED PUBLIC ACCOUNTANTS

March 30, 2010

ST. MARY PARISH HOUSING PROGRAM

STATEMENT OF NET ASSETS and/ GOVERNMENTAL FUND BALANCE SHEET September 30, 2009

	Governmental Activities
ASSETS	
Cash	\$ 27,160
Cash - Restricted	<u>186,661</u>
Total assets	<u>\$ 213,821</u>
LIABILITIES AND NET ASSETS/FUND BALANCE	
Liabilities	
Other current liabilities	\$ <u>2,582</u>
Total liabilities	<u>2,582</u>
Net assets/Fund balance	
Restricted	186,661
Unrestricted	<u>24,578</u>
Total net assets/fund balance	<u>211,239</u>
Total liabilities and net assets/fund balance	<u>\$ 213,821</u>

Because there are no differences between the Program's Government-wide Statement of Net Assets and the Fund Financial Statement Balance Sheet, these two statements are combined for financial reporting purposes.

ST. MARY PARISH HOUSING PROGRAM

**STATEMENT OF ACTIVITIES and/
GOVERNMENTAL STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended September 30, 2009**

Expenses/Expenditures

Health and welfare

Housing assistance payments \$ 232,725

Administrative costs 96,611

Total expenses/Expenditures 329,336

Program revenues

Housing assistance 265,546

Administrative 114,648

Investment income 1,667

Total program revenues 381,861

Increase in net assets/Excess of revenues
over expenditures 52,525

Net assets/Fund Balance - beginning 158,714

Net assets/Fund Balance - ending \$ 211,239

Because there are no differences between the Program's Government-wide Statement of Activities and the Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, these two statements are combined

ST. MARY PARISH HOUSING PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Year Ended September 30, 2009

	Budgeted <u>Amounts</u> Original & <u>Final</u>	<u>Actual</u> <u>Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Federal grant			
Housing assistance	\$ 281,500	\$ 265,546	\$ (15,954)
Administrative	88,500	114,648	26,148
Interest	-	1,667	1,667
Total revenues	<u>370,000</u>	<u>381,861</u>	<u>11,861</u>
Expenditures:			
Health and welfare			
Housing assistance payments	281,500	232,725	48,775
Administrative	<u>88,500</u>	<u>96,611</u>	<u>(8,111)</u>
Total expenditures	<u>370,000</u>	<u>329,336</u>	<u>40,664</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 52,525</u>	<u>\$ 52,525</u>

ST. MARY PARISH HOUSING PROGRAM

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Mary Parish Council (Council) established the St. Mary Parish Housing Program (Program) to operate funds which account for various housing programs within St. Mary Parish. Since the Program currently only operates one program (the Section 8 Housing Program) the Program's operations only require use of one fund. The Section 8 Housing Program provides rental assistance to help very low income families afford decent, safe, and sanitary rental housing.

The financial statements of the Program have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

In June 1999, the GASB approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (Statement). Significant changes required by the Statement include a Management's Discussion and Analysis (MD & A) section providing an analysis of the Program's overall financial position and results of operations, the preparation of the financial statements using full accrual accounting for all of the Program's activities (Government-wide Financial Statements), and the reporting of infrastructure assets. The major change under full accrual accounting includes reporting fixed assets (net of accumulated depreciation) and long-term liabilities in the Government-wide Financial Statements. However, the Program does not own any significant fixed assets nor infrastructure assets. In addition, the Program does not have any long-term liabilities. Because of this, the only significant section of the new statement applicable to the Program is MD & A.

The Program has not presented an MD & A that GASB has determined is necessary to supplement, although not required to be part of, the basic financial statements.

A. Reporting Entity

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Based upon the above criteria, the Program is an integral part of the Council, the primary government.

Governments may issue financial statements that present only a portion of their operations. These financial statements include only the operations of the Program, and as such do not intend to and do not report on the Council's operations as a whole in accordance with GAAP.

B. Basic Financial Statements - Government-wide Financial Statements

The Government-wide financial statements include the Statement of Net Assets and the Statement of Activities which report all activities of the Program as a whole. The government-wide presentation focuses primarily on the sustainability of the Program as an entity and the change in the Program's net assets resulting from the current year's activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Program are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". The Program's current operations only require the use of one fund as follows.

Governmental Fund

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are earmarked for expenditures for specific purposes.

D. Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities (whether current or noncurrent) are included on the statement of net assets and the statement of activities present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Fund Financial Statements

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Federal grants are recorded when the Program is entitled to the funds. Expenditures are recorded when the related fund liability is incurred.

Combined Reporting of Government-Wide Statements and Fund Financial Statements

Because there are no differences between either the Program's Government-wide Statement of Net Assets and the Fund Financial Statement Balance Sheet or between the Government-wide Statement of Activities and the Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, these statements are combined for financial reporting purposes.

E. Budgets

The program director develops a projected program budget for the Section 8 Housing Program that is included in the PHA Agency Plan. The budget is approved by the Council. The budget is prepared on a basis which is consistent with generally accepted accounting principles for fund accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include demand deposits.

Cash and cash equivalents are stated at cost, which approximates market.

G. Equity Classifications

Equity is classified as net assets and displayed in up to three components if applicable – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets net of accumulated depreciation and reduced by the outstanding debt that is attributable to the acquisition, construction, or improvement of these assets.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, contributors, or laws or regulations.
- Unrestricted net assets – This component of net asset consist of net assets that do not meet definition of “restricted” or “invested in capital assets, net of related debt.”

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

At year end, the carrying amount of the Program's cash and cash equivalents was \$213,821 and the bank balance was \$220,527 which was covered by FDIC insurance.

NOTE 3 - CONTINGENCIES

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed expenditures may constitute a liability of the Program. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although, management of the Program believes disallowances, if any, to be immaterial.

NOTE 4 - CONCENTRATIONS

The Program receives ninety-nine percent of its revenue from a federal grant.

NOTE 5 - RISK MANAGEMENT

The Program is exposed to various risks of loss related to torts and errors or omissions. The Corporation contracted to administer the program carries insurance to substantially cover all risks of the Program.

SCHEDULE OF FEDERAL AWARDS

ST. MARY PARISH HOUSING PROGRAM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2009

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>
<u>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Housing-Federal Housing Commissioner			
Section 8 Housing Choice Vouchers	14.871	\$ <u>380,194</u>	\$ <u>329,336</u>
Total US Dept. of Housing and Urban Development		\$ <u>380,194</u>	\$ <u>329,336</u>

ST. MARY PARISH HOUSING PROGRAM

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2009**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of activity of the Program's federal award programs presented on the basis of accounting in accordance with generally accepted accounting principles for fund accounting.

FINANCIAL DATA SCHEDULE

ST. MARY PARISH HOUSING PROGRAM

Financial Data Schedule
For the Year Ended September 30, 2009

<u>Line Item #</u>	<u>Account Description</u>	<u>Housing Choice Vouchers</u>	<u>Disaster Voucher Program</u>	<u>Total</u>
Assets	Current Assets			
111	Cash - Unrestricted	\$ 22,886	\$ 4,274	\$ 27,160
113	Cash - Other Restricted	186,661	-	186,661
100	Total Cash	<u>209,547</u>	<u>4,274</u>	<u>213,821</u>
	Other Current Assets			
150	Total Current Assets	<u>209,547</u>	<u>4,274</u>	<u>213,821</u>
190	Total Assets	<u>\$ 209,547</u>	<u>\$ 4,274</u>	<u>\$ 213,821</u>
Liabilities	Current Liabilities			
345	Other Current Liabilities	\$ 2,582	\$ -	\$ 2,582
310	Total Current Liabilities	<u>2,582</u>	<u>-</u>	<u>2,582</u>
300	Total Liabilities	<u>2,582</u>	<u>-</u>	<u>2,582</u>
Equity	Reserved Fund Balance			
511.1	Restricted Net Assets	186,661		186,661
512.1	Unrestricted Net Assets	<u>20,304</u>	<u>4,274</u>	<u>24,578</u>
513	Total Equity/Net Assets	<u>206,965</u>	<u>4,274</u>	<u>211,239</u>
600	Total Liabilities and Equity/Net Assets	<u>\$ 209,547</u>	<u>\$ 4,274</u>	<u>\$ 213,821</u>
Revenues				
70600-010	Housing Assistance Payments	\$ 265,546	\$ -	\$ 265,546
70600-020	Ongoing administrative fees earned	114,648		114,648
71100	Investment Income - Unrestricted	<u>1,667</u>	<u>-</u>	<u>1,667</u>
70000	Total Revenue	<u>381,861</u>	<u>-</u>	<u>381,861</u>
Expenses	Administrative			
91200	Auditing Fees	8,053		8,053
91300	Management Fees	83,220	-	83,220
91310	Book-Keeping Fees	4,871		4,871
91600	Office Expense	<u>467</u>	<u>-</u>	<u>467</u>
96900	Total Operating Expenses	<u>96,611</u>	<u>-</u>	<u>96,611</u>
97000	Excess Operating Revenue over Operating Expenses	<u>285,250</u>	<u>-</u>	<u>285,250</u>
	Other Expenses			
97300	Housing Assistance Payments	<u>232,725</u>	<u>-</u>	<u>232,725</u>
90000	Total Expenses	<u>329,336</u>	<u>-</u>	<u>329,336</u>
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	<u>52,525</u>	<u>-</u>	<u>52,525</u>
11030	Beginning Equity	<u>154,440</u>	<u>4,274</u>	<u>158,714</u>
	Total net assets	<u>\$ 206,965</u>	<u>\$ 4,274</u>	<u>\$ 211,239</u>
11170	Administrative Fee Equity	\$ 20,304		\$ 20,304
11180	Housing Assistance Payments Equity	186,661		186,661
	Other net assets	<u>-</u>	<u>\$ 4,274</u>	<u>4,274</u>
	Total net assets	<u>\$ 206,965</u>	<u>\$ 4,274</u>	<u>\$ 211,239</u>
11190	Unit Months Available	2,400	-	2,400
11210	Unit Months Leased	2,302	-	2,302

REPORTS ON INTERNAL ACCOUNTING CONTROL OVER
FINANCIAL REPORTING, COMPLIANCE AND OTHER MATTERS,
AND MAJOR FEDERAL PROGRAMS



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Mr. Jim Firmin
St. Mary Parish Housing Program
Morgan City, Louisiana

We have audited the financial statements of governmental activities, the major fund and the respective budgetary comparison of St. Mary Parish Housing Program of the St. Mary Parish Council (the Program), as of and for the year ended September 30, 2009 which collectively comprise the Program's basic financial statements, and have issued our report thereon dated March 30, 2010, which contains two additional paragraphs. One paragraph notes that the financial statements include only the operations of the Program. An additional paragraph states that management elected to omit Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Program's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Program's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

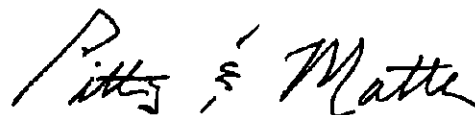
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the use of the management of the Program, the finance committee of the St. Mary Parish Council, federal awarding agencies, and the Legislative Auditor of the State of Louisiana and is not intended to be used by anyone other than these specified parties. However under Louisiana Revised Statute 24:513, this report is a matter of public record and may be distributed by the Legislative Auditor.

A handwritten signature in black ink, reading "Pitts & Matte". The signature is stylized, with the first letters of "Pitts" and "Matte" being prominent.

CERTIFIED PUBLIC ACCOUNTANTS

March 30, 2010



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Jim Firmin
St. Mary Parish Housing Program
Morgan City, Louisiana

Compliance

We have audited the compliance of the St. Mary Parish Housing Program (the Program) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended September 30, 2009. The Program's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the St. Mary Parish Housing Program's management. Our responsibility is to express an opinion on the St. Mary Parish Housing Program's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Program's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Program's compliance with those requirements.

In our opinion, the St. Mary Parish Housing Program complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2009.

Internal Control Over Compliance

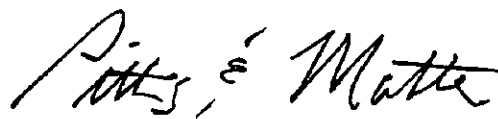
The management of the Program is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Program's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Program's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the use of the management of the Program, Federal awarding agencies, the Legislative Auditor of the State of Louisiana and the Finance Committee of the St. Mary Parish Council, and is not intended to be and should not be used by anyone other than these specified parties. However under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.

A handwritten signature in black ink, reading "Pitts & Matter". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

March 30, 2010

ST. MARY PARISH HOUSING PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2009

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the St. Mary Parish Housing Program.
2. Report on Internal Control Over Financial Reporting and Compliance and Other Matters

Internal Control Over Financial Reporting

No material weakness is reported.

Compliance and Other Matters

No findings are reported.

3. Federal Awards

The auditors' report on compliance for the major federal award programs for the St. Mary Parish Housing Program expresses an unqualified opinion. No item of noncompliance is reported.

Internal Control

No material weaknesses are reported.

4. Audit findings relative to the major federal award program for the St. Mary Parish Housing Program are reported in Part C of this Schedule.
5. The program tested as a major program includes:

Section 8 Housing Choice Vouchers, CFDA No. 14.871.
6. The threshold for distinguishing types A and B programs was \$300,000.
7. St. Mary Parish Housing Program was not determined to be a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None

**SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION
PREPARED BY ST. MARY PARISH HOUSING PROGRAM**

**INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL
STATEMENTS**

No items reported in prior year.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No items reported in prior year.